



FOR IMMEDIATE RELEASE

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Governor Walker Releases Amended Endorsed Budget

Note to Media:

At 1:45 p.m. in the Cabinet Room today, Governor Walker, OMB Director Pat Pitney and other members of the Cabinet will be available to answer reporters' questions.

Teleconference number: (800) 745-9830

February 5, 2015 JUNEAU—Governor Bill Walker today released his budget for fiscal year 2016 (July 1, 2015 – June 30, 2016), which he emphasized is a starting point for discussions.

"There are cuts in here, and some will be painful," Governor Walker said. "Our state right now has a \$3.6 billion budget deficit, leading us to draw about \$10 million every single day from savings. I want to be up-front with Alaskans throughout this process."

The fiscal year 2016 budget has more changes than the placeholder budget the Walker administration submitted in December. With the decline in state revenues, the Walker administration cut an additional \$132 million from agencies' unrestricted general fund operating budgets from the December budget, while preserving Governor Walker's vision to maintain essential services and protect reserves.

"We will prioritize the delivery of services and look for ways to provide services at lower costs," said Pat Pitney, Director of Office of Management and Budget. "We will combine services where possible to gain efficiencies."

The administration focused on reducing overhead and administrative costs before reducing services, and worked hard to make sure cuts do not disproportionately impact small, outlying offices where services may be most needed.

The proposed fiscal year 2016 budget reflects a \$240 million reduction in agency unrestricted general fund spending from fiscal year 2015 and eliminates more than 300 positions.

"We'll work to minimize state employee layoffs by eliminating vacant positions and reducing others through retirements, resignations and transfers," Governor Walker said. "However, we are also leading by example. I cut 11 percent of my executive office through leaner staffing and operations."

Some highlights of the budget include:

- Maintaining funding for front-line social workers at Office of Children's Services
- Reducing government overhead. For example, cut \$6 million, which is 22 percent, from administrative functions within the Department of Administration's budget
- Meeting non-negotiable obligations. For example, covered \$257 million of retirement costs.

Governor Walker believes the state can strengthen private, nonprofit, tribal and federal partnerships, and provide state services with less state support while minimizing impacts on Alaska's economy.

"We'll leverage non-state dollars," Governor Walker said. "For example, we anticipate saving \$4 million in the Department of Corrections for inmate health care due to Medicaid expansion."

The proposed budget now moves to the legislature, which will refine the numbers through the legislative process.

Governor Walker encourages all Alaskans to stay active in the budget discussion and make their voices heard so the state can reduce expenditures but continue the level of service important to citizens.

To view Governor Walker's endorsed FY16 proposed budget, visit <https://www.omb.alaska.gov/html/budget-report/fy-2016-budget/amended.html>.

Here is a glossary of terms: <https://www.omb.alaska.gov/html/information/budget-terminology.html>

UGF – unrestricted general funds

PFT – permanent full-time employee

PPT – permanent part-time employee

NP – non-permanent employee

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